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A CALL

UPON THE

STOCKHOLDERS

OF THE

LOUISVILLE, CINCINNATI

AND

CHARLESTON

RAIL ROAD COMPANY.

Published by Order of the Directors.

BY ROBERT Y. HAYNE,

PRESIDENT.

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ADDRESS
TO THE
STOCKHOLDERS
OF THE
Louisville, Cincinnati and Charleston Rail-Road
COMPANY.

THE BOARD OF DIRECTORS having resolved to call for an installment of FIVE DOLLARS on each share in this Company, payable on or before THE FIRST MONDAY IN APRIL NEXT, it becomes the duty of the President under their instructions, to explain to the Stockholders, the present situation and prospects of the Company, and to urge upon them the necessity of coming forward on this occasion, to redeem the pledges made to the public, by the punctual payment of the installment thus required. The commercial embarrassments of the country, have prevented the Directors from making an earlier call upon the Stockholders. The funds at their disposal being sufficient to enable them to carry on all the preliminary examinations and surveys, they deemed it advisable, to wait until the practicability of the scheme should be demonstrated, and such progress made in our arrangements, as might fully satisfy the public, that by vigorous and united efforts, the great work could be successfully accomplished. At the general meeting of the Stockholders at Flat Rock in October last, a full view was taken of the condition and prospect of the Company. After a laborious and patient investigation, with all the lights afforded with the Reports of the Engineers, and of the Directors, the Stockholders came *unanimously* to the following conclusions, viz:

1st. That a practicable and eligible route for the passage of the Blue Ridge at the *Butt Mountain Gap*

by Locomotive Engines, had been found, and that by the valley of the French Broad River, this Mountain pass, as they had every reason to believe, was decidedly superior to every other to be found within the limits of our charter, or indeed, in the whole extent of the mountain ranges dividing the Atlantic from the Western States.

2d. That the various routes below the Mountains, afford all the necessary facilities for the construction of a Rail-Road from the Butt Mountain to Columbia, or its vicinity, but that the relative merits of the several routes had not been sufficiently ascertained to enable us to decide, which should be preferred.

3d. That the Road should be extended from the Mountains to some convenient point at or near Columbia.

4th. That the Directors be authorised to purchase the Charleston and Hamburg Rail-Road, with a view to the immediate commencement of a branch from some convenient point on that Road towards the Butt Mountain, by way of Columbia, and with the further view of extending our connexions into Georgia, through the Athens Rail-Road.

5th. That an application should be made to the Legislatures of Tennessee and Kentucky, for their concurrence in the Act granting Banking Privileges to the Company, and that an appeal be also made to these States for pecuniary aid.

6th. That the Directors do as soon as possible take the proper means for laying out and grading the Road between Columbia and Charleston.

7th. That the surveys in progress, should be completed, and all the Maps, Reports, &c. be finished, and carefully preserved for future use and reference.

In compliance with these instructions, applications have been made by the President, in behalf of the Company, to the Legislatures of Tennessee and Kentucky, for their concurrence in the Bank Charter, and also for pecuniary aid. The Legislature of Tennessee have accordingly passed an Act, giving the assent of that

State to the Act passed by North and South-Carolina, "conferring Banking Privileges on the Stockholders of the Louisville, Cincinnati and Charleston Rail-Road Company, upon certain terms and conditions," and they have also, passed an Act, providing for a subscription on the part of the State to the amount of \$650,000. The Legislature of Kentucky have not yet acted finally upon the subject, but our advices from that State, whilst they hold out no prospect of immediate success, give us reason to believe, that at the next session of their Legislature, Kentucky will be prepared to meet us in a cordial spirit, and to do whatever may be found necessary to the extension of our Road through Lexington, to the Ohio River. Though the concurrence of Tennessee to the Bill granting Banking Privileges removed one of our greatest difficulties, still others remained, which at first view, might have been deemed almost insuperable. The Act passed by South-Carolina had declared that all the privileges conferred by it should be forfeited, unless three States should assent thereto, and the subscription to the Road should be increased to Eight Millions of Dollars, *on or before the 31st December, 1837*. When, therefore, the assent of Tennessee was given to this Act in December last, there remained but three weeks, within which a subscription, then amounting to but \$5,300,000, was to be increased to Eight Millions. The only possible means of effecting this vitally important object, was the completion of the contract for the purchase of the Charleston and Hamburg Rail-Road. It being one of the proposed conditions of that purchase, that the Stockholders in that Company should become subscribers in ours, we were thus enabled to add at once a subscription of 20,000 shares to the stock of the Louisville, Cincinnati and Charleston Company, leaving a deficiency of only 7,000 shares to make up the required amount of \$8,000,000. These, the City Council of Charleston agreed to take, if on closing the books on the 31st of December, it should be found necessary to do so, in

order to save the Bank Charter. To enable us, however, to complete the contract for the purchase of the Charleston and Hamburg Rail-Road, it was necessary to raise immediately the sum of Eight Hundred Thousand Dollars, being the amount of the cash payment. This was accomplished by a loan generously made to the Company by the Banks of the City of Charleston, with the aid of \$100,000 of City Stock, liberally advanced by the Corporation of Charleston. The contract was accordingly completed,—the Charleston and Hamburg Rail-Road purchased,—AND THE BANK CHARTER SECURED. The importance of these measures, to our future operations, may be understood, when it is remembered, that the Stockholders at a meeting held in Columbia in December, 1836, had unanimously resolved, THAT THE BANK WAS INDISPENSABLE TO THE SUCCESS OF THE ROAD, and that in consequence of this decision, the most strenuous and untiring efforts had been made to secure the Charter. Indeed, a moments reflection will convince every one, of the inestimable importance of this privilege, and of the indispensable necessity of securing it. The grand difficulty in the way of all great enterprises in our country, is the want of capital. Among the nations of the old world, the accumulation produced by centuries of successful industry, enables capitalists to engage in enterprises requiring large expenditures, where the prospect of a profitable return is remote, or even contingent. It is not so with us. The citizens of these United States, cannot in general afford to make large advances of money, without some prospect of immediate profits. Great public interests and commercial advantages, though they stimulate the enterprise of our citizens, have not, therefore, been found sufficient of themselves, to secure the success of undertakings requiring large expenditures. Our Bank will afford the means of surmounting this difficulty. That the Louisville, Cincinnati and Charleston Rail-Road, will in its whole extent, as well as in all of its parts, be eventually profitable, cannot be doubted

by any one who will take the pains to examine the subject with sufficient care and attention. As this topic, however, has been already fully discussed, we shall here present merely a brief summary of the facts and arguments, by which this position seems to be established beyond dispute.

The profits of a Rail-Road are derived from the transportation of DOMESTIC PRODUCE and IMPORTED GOODS, the conveyance of PASSENGERS, and the carriage of the MAIL. Rail Roads, with the aid of locomotive steam Engines, are now universally admitted to afford, *in general*, the cheapest, and safest, as well as the most speedy and certain means of communication for all purposes whatever. The doubts which are sometimes expressed, as to their sustaining a competition with Canals, and other uninterrupted water communications, in the transportation of *heavy articles*, and long distances; if they were well founded, would merely constitute exceptions to the general rule. That the profits of Rail-Roads, would not be materially impaired, if the transportation thereon was confined to light goods, and the conveyance of passengers, may be inferred from the fact, that three-fourths, and perhaps, a larger proportion of their profits are now derived from these sources. With regard to PASSENGERS, the greater speed, and superior facility and safety of Rail-Roads, not only secure them a monopoly, but increase travelling to an extent, in every instance, surpassing all previous anticipations. We hear occasionally of an accident upon the Rail-Road, but these accidents are fewer, and much less injurious in their consequences, than by any other mode of conveyance, either by land or water. The loss of life by the shipwreck of the Steamer *Home*, exceeds that sustained on all the Rail-Roads in the world from their origin to the present time; and if the value of all the goods ever burnt or otherwise destroyed on Rail-Roads, were summed up, they would not equal the cargo of one of the ships which almost daily founders at sea. The Liverpool

and Manchester Rail-Road, which conveys more than half a million of passengers annually—and our own Rail-Road, which conveys near fifty thousand, have never, since they commenced operations, occasioned the loss of *the life of a single Passenger*.* These facts, as they come to be known, added to the astonishing speed, and comparative economy of Rail-Road travelling, have invariably multiplied the number of passengers, to such an extent, that there is good reason to believe, that if Rail-Roads were confined exclusively to the transportation of passengers, and the mail, they might be made sufficiently profitable. It has been stated, “that before the Charleston and Ham-burgh Rail-Road went into operation, the travelling between these places was by stages, three times a week, averaging about four passengers each trip,” and we well remember, that when it was said that this Road would increase the travelling to perhaps 20 or 30 a day, the idea was ridiculed, and it was tauntingly asked, “where the passengers were to come from?” This Road has been in operation but four years, and the average number of passengers is already *one hundred and thirty per day*. When this Road shall be further improved, and connexions formed through the Athens Road with the interior of GEORGIA and ALABAMA, and with the WEST, by a branch passing by way of Columbia, through the centre of South-Carolina, it would hardly be an extravagant estimate to suppose, that the number of passengers will be increased four fold, which would be equal to five hundred a day. One of the ablest and most devoted advocates of our great enterprise.† in speaking of the profits to be derived from it, says: “At the lowest possible estimate, there will not be less than 100 passengers per day each way, which at 5 cents a mile, will be \$31 for each passenger, or \$6,200 per day, forming an

* The death of Mr. Huskisson, took place before the Liverpool and Manchester Road was put into operation, during the trial of an Engine, and was occasioned by his standing on the Road, in front of the approaching Engine, and unfortunately falling across the Rail as he attempted to retreat.

† E. S. Thomas, Esq. Editor of the Cincinnati Evening Post.

aggregate of *two millions, two hundred & sixty-three thousand dollars per year*. Allow half this amount for way passengers, and you have an aggregate of *three millions three hundred and ninety-four thousand five hundred Dollars*, for PASSAGE MONEY ONLY, *making upwards of THIRTY PER CENT.* on the whole capital invested, which may be taken as CLEAR PROFIT, as the *freight* will far more than pay every *expense*." Now make what deductions you please, from this estimate : reduce the receipts one half,—still there will be enough left to make the road profitable. The transportation of the mail alone, which is usually estimated at from two to three hundred dollars a mile, and the increased travelling on the branch leading into Georgia, will go far to make up all deficiencies, especially should success attend the zealous and enlightened efforts of those, who are now engaged in the attempt of establishing a line of communication by Steamboats and Rail Roads, by way of *Wilmington*, along the sea coast from Charleston to the North, which, if successful, must secure for our Road nearly all the travellers from the South and South West.—Our conclusions on this branch of the subject are fortified by the experience on other Roads. The travel between Baltimore and Washington has been increased from less than fifty to near three hundred a day.—While on the Liverpool and Manchester Road, where the travel before the road was built, was only 100 a day, near fourteen hundred passengers are now transported daily—making upwards of 500,000 in the course of the year. Other Rail Roads, both in Europe and America, exhibit the same results, and the consequence has been that the stock in almost every well conducted Rail Road is considerably above par. Shares in the Liverpool and Manchester Rail Road are selling for £280, for every £100 paid in. And the stock in the Charleston and Hamburg Rail Road, notwithstanding the errors in its construction and early management—naturally resulting from a want of experience has sold in the market, before our late commercial embarrassments, as high as \$125 for every \$100 paid in.

But in addition to the profits to be derived from PASSENGERS, it is unquestionable, and has, as far as we know, never been disputed, that all FOREIGN GOODS, now imported into our Atlantic cities, and consumed in the interior, can be profitably transported on Rail Roads. This, the experience on our own Road, as well as on every other in this country, has already established beyond all dispute. The idea is entirely fallacious that the mere increase of the *distance*, would lessen the profits. If the transportation of one ton of merchandize, *at given rates*, is profitable when transported one hundred miles, it must of course be at least equally so, *at the same rates*, for a thousand miles,—indeed, the greater the distance, according to universal experience, the more profitable the business. Goods or Passengers, conveyed from Hamburg to Charleston, must certainly afford at least as much profit, as way passengers, or way freight, for reasons which are too obvious to require illustration. But to shew conclusively, that foreign goods may be transported to the West, more readily and more cheaply, than they can now be received there, through any of the existing channels, either by land or water, and that after paying the highest rates of freight allowed by our charter, they will come to the consumers in the West at a less price than they now pay—we will give a CASE, which is unanswerable. When in attendance on the Knoxville Convention we applied to one of the most distinguished mercantile houses, and was furnished from their Books, with the following statement of all their importations of foreign goods for the six months preceding, with the charges thereon, and the time consumed in getting them to that place. The following is the statement received,

STATEMENT

“Of amount of tonnage, cost of freight, insurance, and loss of interest on Goods, brought to Knoxville, (Tenn.) from the 1st of January to the 1st of July, 1836,

By—————

22,000 lbs. *wagoned from Baltimore to Knoxville*, at 6 cts.

per lb.,

\$1,320

340,000 lbs. *by water, from Philadelphia, New-York, &c.*
 at 3 cts. per lb., 10,200

362,000 lbs.

Original cost of these goods, \$70,000, of which \$45,000
 came by water from the Eastern cities, and were in-
 surd at 3 per cent., 1,350

From New-Orleans \$12,000, insured at 1 1-2 per cent., 180

Interest on \$70,000 worth of goods from the time they
 were bought, until they reached Knoxville, *upon an*
average sixty days, at 6 per cent. per annum, 700

362,000 lbs. of goods, cost of getting to Knoxville, \$13,750"

From this statement, it appears that the freight, insurance, and charges on seventy-thousand dollars worth of goods, imported into Knoxville, by the usual and most approved modes of conveyance, by land as well as by water, amounted to thirteen thousand seven hundred and fifty dollars, being near twenty per cent. on the first cost; that the lowest rate of freight was three dollars per hundred pounds, and the highest six dollars; and that it required, *on an average*, sixty days, to transport these goods. Now compare this with the cost that would be incurred on the same amount of goods, conveyed by a Rail Road from Charleston to Knoxville. The freight (at thirty-five cents per hundred pounds per hundred miles, the highest rates allowed by our Rail Road charters)—would be one dollar forty cents for four hundred miles,—amounting to five thousand and sixty-eight dollars,—and as the Company would be the insurers, and the goods would be delivered in two or three days (instead of sixty) the whole charge for interest and insurance may be deducted, so that the entire expense (except a few charges too unimportant to be here estimated) would be but five thousand and sixty-eight dollars, less than one half of the present cost, and leaving a difference in favor of the transportation by the Rail Road of eight thousand six hundred and eighty-two dollars, on seventy-thousand dollars worth of goods, without taking into the account the immense advantage to the merchant, of having his orders promptly answered, and to the farmer of obtaining his supplies more readily. If we take this case, as affording any thing like a fair average of the general charges, to which that portion of the Western country is now subjected, which would be more immediately connected with the proposed Road, and estimate the whole amount of this Western trade in *foreign goods*, at only twenty millions of dollars, which must be far below the truth,—the saving would amount to two millions and a half of dollars annually, to which if half that amount be added for the probable saving on *domestic articles*, we would have an annual saving of near four millions of dollars. If the charges in some portions of the West are less than those above stated, in many places they are even greater.

Now, we may assume with entire confidence, that as soon as our Rail Road shall be carried into the interior of the country, just so far as it shall be extended, will it command not only most of the travelling, but nearly the entire conveyance of all foreign goods—and if not a single heavy article of domestic production could be transported on the road, this could not prevent it from being profitable. It would certainly be much more desirable that the agricultural productions of the West, should be received in direct exchange for the imported goods forwarded from the Atlantic—but this is not deemed indispensable to our success. The merchant who sends his goods to Knoxville, if he cannot take the grain or bacon, or iron of the West, *in exchange*, may receive his payment in *lighter articles*—in MANUFACTURED GOODS, or in BILLS upon the North, or New Orleans, or any other place at which such Western productions may find a market, and of this we may be assured, that if we can supply the interior with FOREIGN GOODS by our Rail Road, CHEAPER THAN THEY CAN BE OBTAINED IN ANY OTHER WAY,—the TRADE WILL BE OURS;—and that we can afford to do this, has been already demonstrated. If any doubts remained on this point, they would certainly be removed by considering for a moment the difficulties and embarrassments, under which the commerce of the West now labors. The West now receives its supplies by circuitous routes from the cities north of the Chesapeake, or by way of the Mississippi and New Orleans, around the Cape of Florida. Places on the Ohio are supplied with European goods, from New York (we quote from the “Proceedings of the Citizens of Cincinnati,” in 1835,) “after traversing eleven hundred miles, *via* New York, Albany, Buffalo, Cleveland, and Portsmouth, by two rivers, two canals, and the lake,”—exposed of course to all the expenses, inconveniences and delays of frequent transshipments, and the numerous agencies, incident to such an operation. The merchandize “received from Philadelphia, travels by two Rail Roads, two Canals and one River eight

hundred and fifty miles;" while by the way of New Orleans, after a dangerous gulf navigation of 650 miles, and a passage round the Florida Cape, that grave of commerce, where the annual loss from shipwreck is said to amount to a million of dollars,—the goods are delivered at one of the most sickly cities in the Union, where, after being transhipped, they are to be carried hundreds of miles against the currents of the Mississippi, to their places of destination.*

The time now required for transportation by these routes, "under the most favorable circumstances, is ten or twelve days from New York, and eight or ten days from Philadelphia, while under less favorable circumstances, and especially during the winter, it takes *many weeks*, and sometimes *months* to effect it. Col. Blanding states that when he was on a visit to the towns on the Ohio, he was informed "that at least two millions of dollars worth of goods destined to the States on that river, were there actually frozen up in the northern canals," and we ourselves ascertained at Knoxville, that *three months* frequently elapsed after goods were ordered in the northern cities, before they were received in Tennessee, and that *thirty days* was the *shortest period* in which they could be expected to be received, either by land or water. In truth, the delays and interruptions occasioned by the canals being frozen up

* "Insurance from Europe to the ports of New Orleans and Mobile, is from fifty to one hundred per cent. higher than insurance to the port of Charleston; and freights are, on an average, fifty per cent. higher from those ports to Europe, than from Charleston. Dry goods, from the North (of which the supply is very extensive) arriving at the West by the way of New-Orleans and the Mississippi river, are encumbered with heavy extra freight and insurance from the North to New Orleans, and all the insurance between New-Orleans and the place of final destination. All these would be saved to the merchant, and, ultimately, to the consumer, by the Rail Road carriage from Charleston to the West, even if the freight by river from one place, and by the Rail Road from the other was equal, exclusive of the saving in time between a passage from New York to the West, through New Orleans, of probably six weeks or two months, and a passage from New York through Charleston by Rail Road of eight or twelve days—the passage from New York to New Orleans being, on an average, twenty to twenty-five days, and from New York to Charleston, five to seven days. When to all this is added, that commissions and other charges on receiving and forwarding, are so much more moderate than in those South-Western ports, the advantages to the West, of *an importation by this route*, will be fully estimated by those who have any practical acquaintance with the course of trade."—*Report of the South Carolina Delegation to the Knoxville Convention.*

in winter, and the rivers almost running dry in summer, are so great, as to deprive the entire West, in a great degree, of the benefits of foreign commerce.—Now, it is proposed to substitute for this circuitous, tedious and expensive intercourse, a **DIRECT COMMUNICATION** between the Western States and the Atlantic Ocean, by the **SHORTEST POSSIBLE ROUTE**, by which goods may be conveyed in three or four days from Charleston to the Ohio or Mississippi, a route, “three hundred and forty miles nearer than that by New York, 240 miles nearer than that by Philadelphia, and forty miles nearer than that by Baltimore, even should the Baltimore and Ohio Rail Road be carried to Pittsburgh.”

But we are by no means disposed to concede that there are any domestic articles, produced either in the South or the West, which we shall not be able to transport upon our Rail Road. On the contrary, we are firmly convinced that Cotton and Rice, Iron, Coal and Salt, Bacon and Flour, Cotton Bagging, and Domestic Manufactures of every description; nay, even live stock can afford to pay the highest rates of freight, and yet be sold at a profit to the producer. We all know that the Stockton and Darlington Rail Road in England is very profitably employed in the transportation of coal alone, for a distance of 24 miles, quite sufficient to test the principle.

But on this subject we have *data*, which enable us to reach our conclusions with great certainty. It will not, we presume, be disputed, that if an article can afford to pay the *maximum* rate of freight allowed by any of our Rail Road Charters, that article can be profitably transported. The heavier the articles, of course the better for *the Company*, since the charge is *by weight*. Now the maximum charge allowed on Rail Roads is *thirty-five cents per hundred pounds per hundred miles*. Goods are often carried, and bulky articles too, at much lower rates. The charge for cotton from Hamburg to Charleston, has never, we believe, exceeded 25 cents, and has been as low as 18 cents,—only

One half of the rates allowed by law. The total cost of transporting 100 lbs. 100 miles, on the Philadelphia and Columbia Rail Road, is reported to us by one of our Engineers, who was long employed on that road to be only 13 3-4 cents—while on the Stockton and Darlington Road the expense has actually been reduced to 5 cents. Assuming, however, our *maximum rate*, let us see how the case would stand, with regard to the *heaviest*, as well as *the most bulky articles*. Take, by way of example, **Rice and Bacon**: To transport a hundred weight of **Rice** from Charleston to Knoxville, assuming the distance to be four hundred miles, (and it is less) would cost \$1 40 per 100,—less than 1 1-2 cents a lb. Now, this article never sells for less than three cents a pound in Knoxville more than it does in Charleston, and in many parts of the West for much more,—so that after paying the highest rate of freight on the Rail Road, it is clear that **Rice** could be very profitably sold in the West. This is equally true of **Bacon**. The charge for transporting it from Knoxville to Charleston would not amount to 1½ cents a lb. as above stated, whilst it appears from certificates furnished us by some of our most experienced dealers in that article in Charleston, that the price here is in general from 4 to 5 cents higher than it is in the Western country. “The average difference for the last 5 years (say they) has been fully *four cents*, the freight, insurance, &c. from New Orleans, is about *three cents*.” Nor will our calculations be materially varied, by assuming the extreme points, Cincinnati and Charleston, as the basis of our calculations. The charge even for that distance would be but little more than two cents a pound, while **Bacon** sells for four cents in Charleston more than it does in Cincinnati; and **Cotton and Rice** brings from 3 to 6 cents in Cincinnati more than it does in Charleston. According to an estimate submitted on a former occasion, it appeared, that on *these data*, the profit on the number of Hogs, which passed the Saluda Gap, in a single year, (say 175,000) would be, to the Rail Road \$605,500, and to the Western farmer, \$778,500. Now

what is true of these articles, will be equally so of every other article of Southern and Western productions, and if a quantity of such articles, equal only to the amount now actually exported from Louisville and Cincinnati, by much more circuitous and expensive routes, estimated at \$17,000,000, should be brought to Charleston, from the entire West, the freight alone would amount to at least a million of dollars. Having made this brief statement, we will, in conclusion, appeal to every merchant and farmer in the interior of our own State, or in any part of the Western country, and ask whether the existing rates of freight, both by land and water, do not exceed 35 cents per 100 lbs. per 100 miles—the highest rate of freight upon our Rail Road?—and if this be so (of which we have no doubt)—*the question is settled.*

On the whole, in whatever aspect this question is viewed, we believe it to be demonstrably clear, that the Louisville, Cincinnati and Charleston Rail Road will be as profitable to the stockholders as it must be advantageous to the country. We are aware that some persons have been alarmed at what is regarded as the immense magnitude of the work. That it is a vast and mighty undertaking is true, but its magnitude is not as great in reference to those who are concerned in it, as the Charleston and Hamburg Rail Road was to the single city, which undertook and carried it through. Here was a work 136 miles in extent, undertaken by a small portion of the inhabitants of one city. In the support of our present work, only a little more than 600 miles in extent, we have the support of four sovereign States. The cost, too, has been the subject of alarm. Now, at the highest estimate, (say \$20,000 a mile as the average cost of the whole work from Branchville to Knoxville,) the cost would be but about \$7,000,000. We must look to the aid of Kentucky for the extension of the road into that State. Our subscription already amounts to eight million of dollars. To North Carolina and Kentucky, we have still a right to look for aid and support.

But time must be allowed for the completion of our mighty work; and however great may be the profits to be derived from it eventually, it is indispensable, in order to induce capitalists to come forward to its support, that some plan should be devised of affording *in the mean time*, a moderate profit on the capital invested. To effect this, it was proposed as a first step, to purchase the Charleston and Hamburg Rail-Road now in full operation. This Road extends from the City of Charleston to Hamburg, on the Savannah River, opposite to Augusta, in Georgia,—a distance of 136 miles. From Augusta, the Athens Rail-Road Company have a Road in a course of construction, extending to Athens, in Georgia, a distance of 110 miles, of which 40 miles are already completed, and which will in a short time, be in full operation for the whole distance. By means of the Athens Road and its proposed connexions, extensive communications will be opened with the interior of Georgia, and portions of Tennessee and Alabama, which, under a judicious improvement of the Charleston and Hamburg Road, cannot fail to render that branch of our Road highly useful and profitable. But this Road will subserve our purposes in another respect equally important. Running for 60 or 70 miles from Charleston in the general direction of our main road towards the Mountains, we have so much of that road *already made to our hands*. We are thus enabled to lay off our Road immediately from a convenient point on the Charleston and Hamburg Road to Columbia, the Capital of South-Carolina, from whence it can be carried *through the centre of the State*, to the Butt Mountain Gap, and from thence to Knoxville, which is at the head of steam boat navigation on the Tennessee. When our Road shall have reached this point, its further extension through the States of Tennessee and Kentucky to the Ohio and Mississippi, may be confidently relied on. In the mean time, on the plan proposed, **BEGINNING AT THE OCEAN, we shall proceed STEP BY STEP TOWARDS THE MOUNTAINS,** constructing successive links

in the great chain, each of which being put into operation as soon as it is finished, may be made an immediate source of profit. In illustration of this remark, we will here submit an estimate of the probable profits of that part of the Road which will extend from the Charleston and Hamburg Rail-Road, by the way of Columbia, to the Mountains.

This part of the road, about 110 miles in extent, was estimated by Capt. Williams, to cost \$1,422,500. This section of the road will command nearly the whole interior trade of South-Carolina, and a large portion of the trade of North-Carolina and Tennessee. It will pass through a Cotton growing country, which sends 80,000 bales of Cotton annually to market; and estimating the whole amount of the other productions of this, and the neighboring States, which would find a market by our road, as equal to half this amount, and calculating on a return freight equal to the freight downwards, and allowing for the same number of passengers, as are now transported on the Charleston and Hamburg road, the receipts from these sources would amount to three hundred and sixty thousand dollars, equal to about 25 per cent. on the entire cost of this section of the road. The section from Branchville to Columbia, would of itself be equally profitable. By its connection with the Charleston road, it could command almost entirely the travelling between the interior and the sea-board. When we look at the proposed road, and its branches, with all their probable and contemplated connexions, it may be well doubted, whether the whole extent of these United States, affords scope for any enterprise at all to be compared with it, in magnitude or importance. The Charleston and Hamburg Rail Road, which we have just purchased, opens to us, through the Athens Rail Road, the whole of the interior of Georgia. The roads in progress in that State, look to a connection with Tennessee, by a junction with the Hiwassee Rail Road, at a point on the Tennessee river, a short distance above the Suck, and also at Memphis, on the Mississippi. By

another branch from the Georgia main trunk to the Alabama line, at West Point on the Chattahoochie, it is proposed to command the trade of Alabama, and indeed of the whole of the South-West. To whatever extent, these important measures may contribute, in bringing into Georgia, the trade of the South-West, we must *participate largely* in its advantages, through the Athens Road, which, by means of a junction with the Georgia State road, at Greensborough, will divert a large portion of this trade to Augusta from whence it will seek a market, through our road **AT CHARLESTON**. But while this branch of our road will command such an extensive and valuable trade, **OUR MAIN TRUNK**, extending through the centre of the State, across the mountain to the navigable waters of the West, by the **SHORTEST AND MOST FAVORABLE ROUTE**, will lay open to us the whole interior trade of South-Carolina, of a portion of North-Carolina, and a large part of Tennessee and Kentucky. When our road shall be carried to Knoxville, the sure foundation will be laid for its ultimate extension, by at least two points, to the Ohio and Mississippi rivers. The State of Tennessee has surveyed a route for a **Rail Road** from Fulton, on the Mississippi, entirely across the State, to Knoxville. Nashville, by a short branch, can be connected with this line, which will also be intersected, by roads now in contemplation, extending from Evansville, in Indiana, and Shawneetown, and Cairo, in Illinois, towards Nashville. These places, the latter of which is at the junction of the Ohio and Mississippi, and the two former on the Ohio, a short distance above the junction, form the *termini* of lines of rail roads and canals, running in every direction through and across the States of Indiana and Illinois, and extending to the upper lakes. So intently are the eyes of the people of those States directed towards our **ROAD**, that they have opened communications with us, and manifest an ardent desire to have their entire system of improvements connected with our great work. The extension of our road to Lexington, will at once

give us a road to Louisville, on the Ohio, and will also ensure its being eventually carried to Cincinnati and Maysville, thus extending our connexions through Kentucky, into the State of Ohio. Thus will the CITY OF CHARLESTON be brought into close connexion with the ENTIRE WEST, and SOUTH-WEST. To our Western brethren, we shall offer an admirable SEA-PORT, affording all the facilities for the most extended commerce, and which will be brought almost to their doors. The impulse which will thus be given to foreign commerce, and an extensive personal intercourse cannot, fail to be productive of the highest individual and national prosperity.

Connected with this general plan of operations, OUR BANK WILL BE PUT INTO OPERATION, as soon as possible, and if well conducted, will unquestionably yield an immediate profit on the whole capital invested, both in the Road and the Bank. If the Athens Railroad Company has been able, by means of their Banking Privileges, even while their Road was in a course of construction, to make *full dividends on the whole capital employed*, what may we not expect, from a large and constantly increasing capital, whose circulation will pervade at least three States, and perhaps, form a common currency for the whole South and West? It is believed that a careful examination of the provisions of our Bank Charter will satisfy the Stockholders, that it is the greatest boon that could possibly have been conferred upon our Company, by the States which have concurred in granting it; and that it affords the certain means, of accomplishing the great work we have in view. Banking Privileges even when conferred by a single State, have heretofore been regarded as so valuable, as to require from those on whom they were bestowed, the payment of a *large bonus* to the State, and even when subjected to this heavy charge, BANKING has been found IMMENSELY PROFITABLE. But our Bank Charter has been freely granted, by three States WITHOUT ANY BONUS WHATSOEVER. The present Bank of the United States, with

a charter granted by the State of Pennsylvania alone, was required to pay a bonus we believe of \$4,000,000. From this tax, we have been relieved. In consideration that ours was to be strictly a RAIL-ROAD BANK, the profits of which, however great, could not be expected to do more, while the Road was being constructed, than afford a reasonable income to the Stockholders, on their entire expenditure; the increased profit to be derived hereafter, from THE ROAD when completed, was regarded only as a just reward for the enterprise and public spirit, which should undertake and carry through so great a work. While the commercial embarrassments of the country have hitherto prevented us from attempting to put our Bank into operation, there is now every prospect of our being able to do so in a short time. The resumption of specie payments by the State Banks, would enable us, at once to comply with that provision of our charter, which requires that the capital of our Bank, should be paid in *specie* or *the bills of specie paying Banks*. Should this resumption, however, not take place at an early day, it may be worthy of consideration, whether it would not be advisable for us to make arrangements for the importation of so much specie, as might be sufficient to enable us to put our Bank into operation, leaving the further extension and enlargement of its capital to future events. Influenced by these views, and relying confidently on the resumption of specie payments by the Banks generally, during the present year, the Directors have resolved to make all the necessary arrangements for the COMMENCEMENT OF OUR BANKING OPERATIONS EARLY IN NOVEMBER NEXT. It is due alike to the Stockholders, and the public, that we should here exhibit an outline of "THE SOUTH-WESTERN RAIL-ROAD BANK,"—present a summary of its advantages, and point out the means by which it is proposed to render it at once subservient to the purposes of the Road, and conducive to the interests of the Company, and of the community. The Charter confers Banking Privileges only on the Stockholders in the

Road. No one is allowed to hold a share in the Bank, who does not hold a corresponding share in the Road, and a forfeiture in the latter will incur a forfeiture of the former. The capital of the Bank in the first instance, is to be made up by calling in *twelve dallars and a half* on each share in the Road, and a further sum of twelve dollars and a half at the discretion of the Directors, after which, the capital of the Bank may be further enlarged from time to time, according to the amount expended on the Road. Assuming eight millions to the present amount of our subscription to the Road, the Bank may commence operations with a capital of *one Million of Dollars*, which might be immediately increased to two millions at the discretion of the Company, and be afterwards enlarged from time to time, as circumstances might require, until it reached twelve millions. The principal or MOTHER BANK is to be in CHARLESTON, with branches in North-Carolina and Tennessee, and also in Kentucky, should the Legislature of that State give their assent. The moment the Bank goes into operation, it will to a great extent, command the EXCHANGES between the South and West, and furnish a COMMON CURRENCY to the people of the Southern and Western States. It will be to *these States* what the old Bank of the United States was to the whole Union. As, in addition to the capital of the Bank, the Stock in the Road is pledged for the redemption of its Bills, which are also MADE RECEIVABLE AT THE TREASURIES OF THE STATES granting the Charter; their credit will probably be fully equal to that of the Bank of the United States. Created by the authority of the States themselves—our Bank will excite none of the jealousies which so greatly embarrassed the old Bank of the United States; and enjoying general public confidence and favor, as well from the sound and excellent provisions of its charter, as the great and beneficent objects which it has been created to promote, we may confidently anticipate such a general demand for its Bills, as will put them into circulation under the most fa-

vorable circumstances. Those who are acquainted with the present state of the trade between the South and West, will readily perceive, and justly appreciate the vast advantage to the Bank, and the great benefit to the community, of providing by bills and drafts mutually drawn between the Mother Bank and the Branches, the ready means of transferring funds from place to place, as the business of the country may require. No one who reflects for a moment on the convenience of being able to procure at all times bank bills of unquestionable credit, passing current every where in the Southern and Western States, and perhaps, throughout the Union, can fail to perceive the immense value of such a Bank as ours. Its circulation extending over the States granting the Charter, will create a demand for our Bills, which, like the Bills of the U. S. Bank, will unquestionably be *sought for* in the neighboring States, and form, to some extent, at least, a *common currency* among the people. Under a system of safe and judicious management, therefore, our Stockholders may confidently rely on the entire success of their Bank, and that it may be made a source of great profit. The difficulties and embarrassments to which the State Banks have been, and will always continue in a greater or less degree, to be liable, can never seriously affect us. A MOTHER BANK and its BRANCHES can never be exposed to that mutual jealousy and distrust, which in seasons of pressure, are found so fatal to the credit and prosperity of banking institutions. Reciprocal exchanges between such a bank and its branches, will at all times afford large profits to the bank without the smallest risk or embarrassment, while the GENERAL COMMERCE OF THE COUNTRY, as well as PERSONAL INTERCOURSE, will thereby be greatly enlarged and promoted. According to the established principles of banking, our Bank will be able to carry on a general business, and maintain a circulation much more extensive than any State Bank could possibly afford. It is needless to add, that the profits of all banking operations, must always be in

exact proportion to the extent and safety of the business which is carried on. Mercantile men, who have looked into the provisions of our Charter, have not hesitated to declare that it is of immense value. Little doubt is entertained, that if the Stockholders in the Road could dispose of the privilege which has been thus conferred upon them, its value might be estimated *in Millions*. It is the express condition, however, of the grant, that we shall construct the Road, and therefore, no one can hold a share in the Bank, who does not hold a corresponding share in the Road. The privilege of being Stockholders in the Bank, is accorded only to those who continue Stockholders in the Road; though being deemed a *privilege*, no Stockholder in the Road is *required* to hold shares in the Bank. We will here explain the practical operation of the scheme, in a few words. It is proposed on the third Monday in October next, to call upon the Stockholders in the Road, to come forward and signify their wishes, as to having Stock in the Bank. The OLD STOCKHOLDERS who may not have forfeited their Stock in the Road, will, to the amount of such stock be entitled to A PREFERENCE, in taking shares in the Bank; the deficiency may be taken up by the community at large; and should the amount subscribed exceed \$12,000,000, it must be reduced by a curtailment of the new subscription. On every share subscribed to the Road, on which ten dollars may have been paid, a further sum of twelve dollars and a half must be paid to constitute THE CAPITAL OF THE BANK, which may be increased by calling in \$17½ more, whenever it may be deemed expedient so to do, and on every additional installment paid on the Stock in the Road, an equal amount *may* be called in, on the Stock in the Bank. Under this arrangement, when only \$400,000 shall have been paid on the Stock in the Road, the capital of the Bank would be *a million*, with the right of increasing it, at the discretion of the Directors to \$2,400,000.

The owner of a hundred Shares in the Rail-Road, therefore, who shall have paid \$1000 thereon, (the amount of the two first instalments) will be entitled to hold \$3,000 of Stock in the Bank, and it is certainly a reasonable calculation, that the dividends on the Shares which he will thus hold in the Bank, will afford a handsome income on the whole amount invested, both in the Bank and the Road; and that all the profits to be thereafter derived from the Road, will be a clear addition to his gains. Ten years are allowed for the completion of the Road. During the whole of this period the Bank will be in full operation with a constantly increasing capital. The entire profits of the Bank will be divided among the Stockholders, no part of it being applicable to the construction or expenses of the Road, while year after year, as particular sections of the Road shall be put in operation, the receipts on the Road will go to swell the profits of the Stockholders. Nor is it doubted, that the Charleston and Hamburg Rail-Road, so soon as the new iron shall be laid down, and the other improvements now in progress shall be completed, will contribute largely to the general profits of our Company. The Bank may continue in operation under its present Charter, during the ten years allowed for the construction of the Road, and for twenty-one years thereafter, making in all *thirty-one years*, with every prospect of the renewal of the Charter at the expiration of that period. The capital of the Bank, and all the funds thereof,—the Shares of the Stockholders and the dividends thereon, are declared by the Legislature of South-Carolina, *to be free and exempt from taxation of every kind*. By the provisions of the Charter as passed in North-Carolina and Tennessee, this exemption is continued until the Road shall be finished, and the Stockholders shall have divided an interest of six per cent. for each year upon their investments,—after which, our Bank is made liable to the same tax as their own State Banks, on the amount of the capital employed by the branches

established in these States. The exceeding liberality of these provisions, must be acknowledged by all. Without entering into further details, we trust that the value of the Banking Privileges conferred upon our Company, will now be clearly understood, and justly appreciated by the Stockholders. Copies of the Charters (with which they will be herewith furnished) will afford all the additional information that can be desired.

When we consider the difficulties we have had to encounter, and the extent to which these have been already overcome, we have good cause to rejoice in the past, and to look with hope to the future. Certain it is, that there are no difficulties now before us half so great as those which have happily been surmounted. On the suspension of specie payments by the Banks, few were found sanguine enough to believe that our great enterprise could possibly survive the shock. Yet we have moved steadfastly forward. We have possessed ourselves of a Rail Road, already in full operation, 136 miles in extent. We have completed nearly all the surveys from Charleston to Lexington, and have laid off, and will shortly commence, the construction of the Branch which is to lead by Columbia to the Butt Mountain Gap. Three months ago, our situation was such, as might almost have induced us to despair of success. Two States only had concurred in the Bank Charter; our subscription amounted to little more than five millions of dollars, of which only five dollars had been paid on each share, and it was not deemed prudent in the actual condition of the country, to call for further instalments. Having no property in possession, our Company could not be supposed to possess a credit, which would enable them to effect loans. A spirit of despondency had seized upon the public mind, which threatened the most disastrous consequences, and our path, beset with difficulties and dangers, was hardly illumined by a ray of hope. To save the Bank Charter, which had been deliberately pronounced by the Stockholders "to be indispensable to our success," it was absolutely necessary, that

the assent, either of Tennessee or Kentucky, should be obtained, and our subscription increased to eight millions before the 31st of December.

All this, and more has been accomplished. Tennessee granted the Bank Charter early in December. The State of South-Carolina, immediately afterwards, was induced to lend her name and credit to the Company, by giving the guarantee of the State to a loan of \$2,000,000. In consequence of this guarantee, we were enabled to borrow from the Banks in Charleston, the sum of \$700,000, to complete the purchase of the Charleston and Hamburg Rail Road. By means of this purchase, and a liberal subscription on the part of the City Council of Charleston, the requisite amount of eight millions was made up on the 31st of December.—The Bank Charter was thus saved, and the Company placed in a condition of comparative security. ITS FATE IS NOW IN OUR OWN HANDS. If the stockholders are true to themselves, and faithful to their country, it cannot possibly fail. The payment of a single instalment of only five dollars, on each share, will insure success, but without this, all that has been accomplished, will be unavailing. The express condition on which the guarantee of South-Carolina has been offered to the Company, is, that the instalments first called for, shall be punctually paid, at least so far as to have \$500,000 paid in, before the guarantee of the State shall be given to *the first loan of a million*, and a further sum of \$500,000 before the guarantee shall be given to the loan of another million; should they fail to do this, we lose the benefit of the guarantee of the State. Losing this, we lose the Bank and with these all the means for carrying on the work, and utter and hopeless failure and ruin will be the inevitable consequence. The general payment of the instalment now called for, of five dollars on each share, will remove our present difficulties, and a loan for a million of dollars will be immediately effected under the guarantee of the State. We shall thus be put in funds for prosecuting the work. No other instalment will probably be called for until after the

Bank shall be put in successful operation. The Directors have, as before stated, resolved to establish the Bank early in November next.

Every one who is now a Stockholder in the Road, will have the privilege of securing an equal number of shares in the Bank. By a failure to pay the instalment now called for, however, this advantage will be forfeited. There can be no doubt that this privilege is too valuable not to be worth being secured by the payment of the inconsiderable amount now called for. As soon as this instalment is paid, the stock must become valuable, and will doubtless sell at an advance. Indeed, it seems more than probable, that there will be a competition for the stock of our Bank, which will put it at a *considerable premium*, as soon as the subscription shall be closed. Every consideration of self interest therefore seems to require of the stockholders, not to fail in responding to the call now made. By such a failure, a total loss will be incurred of the amounts already paid, while, by making a further payment of only five dollars on each share, a valuable property will be secured. But the stockholders owe on this occasion, A DUTY TO THEIR COUNTRY, as well as to themselves, which they are imperiously called upon to fulfil. The great public interests involved in the fate of the Louisville, Cincinnati and Charleston Rail Road, demand almost any sacrifice on the part of the citizens of the States granting the charter, rather than they should suffer the enterprise to fail. It is believed that most of those, who originally subscribed to this Road, were influenced by nobler feelings and higher motives than any which could be furnished by the expectation of mere pecuniary advantages. They looked to the inestimable value in a social, commercial and political point of view, of the proposed connection between the South and the West. They proclaimed indeed to the world,* "that the success of this great work would give a powerful impulse to the industry of the whole country through which it

* See Proceedings of the Knoxville Convention.

would pass, by improving their agriculture, adding to the value of their lands, developing their mineral resources, augmenting their population, and building up villages in all directions ; that it would afford facilities for *transportation* of every description, and open a wide door for reciprocal exchanges ; that it would furnish *in times of peace*, to the WEST a ready market for all their productions, which would be exchanged at THE SEAPORTS OF THE ATLANTIC, for the foreign goods of every description, required for Western consumption ; while *in a time of war*, it would afford the means for the speedy transportation of provisions, arms and troops to repel invasion, or suppress insurrection, keeping open at the same time our interior trade, whereby the greatest evils of war would be averted ; AND FINALLY, that providing for the speedy transmission of the mail, and of literary productions and information, and affording at the same time facilities for travelling and *personal intercourse* among the inhabitants of different portions of the country, the public mind would be liberalised and enlightened, and THE UNION PRESERVED AND PERPETUATED, by establishing connexions in business, promoting friendships, abolishing prejudices, creating greater uniformity of opinions, and BLENDING THE FEELINGS OF DIFFERENT PORTIONS OF THE COUNTRY INTO A UNION OF HEART."

If such were the objects which induced the stockholders originally to come forward and subscribe to this great work, we would ask have these objects lost any of their deep interest or overwhelming importance ? Is the abolition excitement which is overrunning the North, and assailing even the halls of national legislation, about to be extinguished, and has it become less important to the South, to secure friends and allies in the West ? Have the mountain barriers been broken down, which now separate the South Atlantic from the Western States, making their inhabitants strangers, and almost aliens to each other ? Have the inhabitants of the West, cut off as they are from all direct and convenient intercourse with the South, and in a great measure, excluded

from the markets of the world, become reconciled to this condition, and blind to the advantages of a FREE AND UNRESTRICTED INTERCOURSE WITH ALL THE WORLD? Have they become insensible of the immense value of their vast agricultural and mineral resources, wanting only good markets, to make their rich and beautiful country the garden of the world? Have the people of the South forgotten, or become reconciled to that most unnatural state of things, which renders SOUTHERN COMMERCE tributary to New-York?—and have they already given up the desire of effecting their deliverance from this, their voluntary bondage? It is impossible. The patriotic spirit which spurned at the fetters which circumstances had imposed upon our commerce, will never consent patiently to wear chains, which it requires but the WILL to break asunder forever!

CITIZENS OF KENTUCKY! We appeal to you. Your Legislature has granted us a charter for the extension of our Road to Lexington, and from thence to the Ohio river. You have subscribed to the work, if not so largely as could have been desired, yet to an extent which certainly proves that you feel a lively interest in its success. Will you abandon it now? By failing to pay the instalment called for on the first Monday in April next, you will by your example, discourage others from coming forward to the support of the work—deter your legislature from concurring in the act conferring banking privileges, or granting us other aid, and thus probably put an end to all hope of extending our road into Kentucky. We feel assured you will not take a course, pregnant with such disastrous consequences. The high character—enlightened views, and liberal feelings of the people of Kentucky, afford a pledge, that they will not be found wanting on this occasion.

CITIZENS OF TENNESSEE! we call upon you in full confidence that you will respond to the appeal in a becoming spirit. As you were among the first to come forward to the support of the enterprise, we trust you will be the last to abandon it. The people of Tennessee, and especially of east Tennessee, have perhaps a deeper interest in the success of our Road than

those of any other State. With others, it is a question of comparative advantages—with them of entire emancipation from a state of commercial thralldom, and of personal exclusion from almost all intercourse with the world around them. Enclosed within your amphitheatre of mountains, you are in a great measure shut out from any direct communication with **THE OCEAN**, “the great highway of nations.” Excluded from your natural markets in the South,—the productions of your teeming soil—your mineral treasures,—your immense water power, (superior even to steam itself, and capable of being made the source of the most unbounded wealth,) are all wasted and lost. No imagination can conceive the happy change which would come over the face of your fine country should our Road be extended even to Knoxville. We have seen that it now requires, on an average, *sixty days*, to obtain foreign goods from any point on the Atlantic, and that the charges amount to *twenty per cent*, on the first cost. Our Road would deposit these goods at Knoxville in three or four days, and at a cost *less than one half* of what is now paid; and, what is of equal importance, would furnish you at all times with a ready market for your rich and varied productions. The day that shall witness the opening of our Road to the Tennessee river, will find your town lots and lands, lying along the line of the Road, increased in value to an amount greater than the entire cost of the work. It has been well and truly said, of your interesting country that

“Whatever may have been the impression hitherto as to the character and condition of East Tennessee, there is within that seemingly limited district of country embosomed within the Alleghany and Cumberland Mountains, more concealed sources of wealth, *agricultural, mineral, and manufacturing*, than is to be found within a similar extent in any other portion of the United States. With a climate mild and salubrious, equally exempt from the rigors of a northern, as it is from the enervating severity of a southern latitude; with a population healthful and industrious and economical, without any of those restraints which poverty and disease in other regions often inflict on its increase, with soils yielding and productive in all those nutritive grains which contri-

late to the comfortable subsistence of man, with mountains carpeted with the most luxuriant natural pastures; overshadowed with forests of durable timber, and their bowels rich with coal and the substantial metals; with rivers, if interrupted in their navigation, affording water power at every mile, capable of propelling any machinery, with their tributaries gushing from the purest crystal fountain, it is their hitherto inaccessibility which has kept those vast resources in a still *slumbering state*. But once cut the barriers which separate this country from the other more prosperous, but not more favored regions of the globe—Once open a *highway* such as is now contemplated by the Charleston, Louisville and Cincinnati Rail-Road, across these elevations which separate that Mountain District from all participation in the different markets in the world, and such an animation would be given to the industry of the people, and such a developement to its resources as to place it in a position competing with, if not rivalling all other countries. Under such a state of things, the day would not be far distant, when the Lowells and Pawtuckets, the Manchesters and the Birminghams, would find their most favored locations at the cascades of the French Broad, or near the rapids of the Holston, the Clinch, and the Nolachucky.”*

Nature too, has clearly pointed out *the true route* by which your communications with the Ocean may be most easily effected. By the Valley of the French Broad River, where for upwards of one hundred miles you encounter on an average, a rise of only *eight feet to the mile*, you attain the summit of the Blue Ridge at the **BUTT MOUNTAIN GAP**—from whence, by an easy descent, you reach the eastern base of the mountains, and from thence find a level country the whole way down to Charleston. By this route which is believed to be without a parallel “in the topography of the world,” the mountains may be passed by **LOCOMOTIVE ENGINES**, surmounting an elevation of only 1054 feet, being less than one half of the elevations to be overcome on other routes across the mountains.* It is a striking fact, that by far *the shortest line*, by which a **Road** can be constructed to connect any existing Rail Road on the Atlantic, with the navigable waters of the West, is to be found between the Charleston and Hamburg Rail-Road, and the Tennessee River at Knoxville. This will be at once seen, when it is stated, that

* Report of Messrs. Gadsden, Brisbane and Holmes.

• See Note marked * next page.

our surveys prove that the distance from Knoxville to the Butt Mountain Gap, is 145 miles, and from thence to the nearest point on the Charleston Road is only 140. So that a Road 285 miles in extent, would establish the proposed connection.

It is true, that to effect this, at the most convenient and advantageous point on the Charleston Road, the distance must be increased to about 330 miles; but even this, will be found to be considerably less than by any other known route. The proposed connection between the sea-board of Georgia and the Mississippi River at *Memphis*, cannot be much short of 800 miles, a distance exceeding by near 200 miles our entire Road from Charleston to Louisville, (which has been estimated by Capt. Williams at only 620 miles,) and more than double the distance to Knoxville, which is also much nearer to Charleston, than a point on the Tennessee River "at or near Rossville," is to Savannah. Knoxville is nearer to Charleston than to any other commercial city on the Atlantic, with which she could be connected, and all her interests would seem to unite her with Charleston, which is assuredly destined, should she improve her natural advantages, to become at no distant day the commercial emporium of the whole South. Through this channel, a direct trade with Europe may be opened with every prospect of success, to which the operations of our Bank will largely contribute. We trust we have now said enough to satisfy the citizens of Tennessee and Ken-

* The following Table annexed to the Report of Major McNeill and Capt. Williams fully sustains this statement.

Statement of distances grades and heights overcome by the Pennsylvania Rail Road, Baltimore and Ohio Rail Road, and Louisville, Cincinnati and Charleston Rail Road in their passage across the Alleghany Mountains.

	Length of line across the mountain's.	Elevation of highest point above base.	Total ascents going Westward.	Total ascents going Eastward.	Total heights overcome.	Heights overcome by Inclined Planes.	Length of Inclined Planes.
	miles.	feet.	feet.	feet.	feet.	feet.	miles.
Baltimore & Ohio Rail Road,	63.71	1731	1681	1042	2728	—	—
Pennsylvania Portage Rail Way,	36.45	1398	1398	1173	2571	2007	4.39
Lou. Cin. & Charleston Rail Road,	24.36	1054	1054	—	1054	—	—

tucky, that they are called upon by every consideration of patriotism and duty, not to hold back on the present occasion.

THE CITIZENS OF NORTH AND SOUTH-CAROLINA, cannot we are sure be insensible of the peculiar obligation which rests upon them, to fulfil their pledges by doing their part of the proposed work. It is the good fortune of North-Carolina to possess in the Butt Mountain Gap, the very best pass by which the mountains can be scaled in the whole range of the Alleghanies. In proposing to avail ourselves of this passage, we offer to North-Carolina *our aid* to extend a **Rail Road** through the most inaccessible portion of her territory, with the certain prospect of calling into action all the resources of her mountain region, and covering the face of that healthful and beautiful country with wealth and refinement. We ask only of North-Carolina, that she should lend a helping hand to the good work. In what she has already done, we find an assurance, that she will do what may be further necessary for its accomplishment.

But **SOUTH-CAROLINA** stands, perhaps, in a still more responsible situation. She has *taken the lead*, and cannot now falter in her course without disappointing the expectations she has raised, and giving a fatal blow to the whole enterprise. Though the Lou. Cin. and Charleston **Rail Road** had its origin in the West, no where was it hailed with so much enthusiasm,—no where have such mighty efforts been made to advance the work, as in **SOUTH-CAROLINA**, and especially in the **CITY OF CHARLESTON**. The people of the State saw in this grand project the consummation of their most cherished hopes,—the Citizens of Charleston, the certain fulfilment of their own high destinies. South-Carolina as a small state, rich in her great staples and commercial facilities, yet deprived of her natural advantages by the wasteful cultivation of her soil, and the state of almost “colonial vassalage,” to which her trade has been reduced, is now brought to a condition which calls for prompt and decisive measures to re-

move existing evils, and to avert the still greater calamities with which she is threatened. It is impossible to shut our eyes to the truth, or exclude from our minds the conviction, that South-Carolina is destined to sink down from the high and palmy state of prosperity, honor, and renown, which she has so long and so proudly occupied, unless her sons shall avail themselves of the present favorable opportunity, to retrieve her falling fortunes. The superior fertility of the virgin soils of the new and flourishing states of the South West, holds out a temptation to emigration, which nothing can counteract, but the opening of fresh avenues to trade, and new and more profitable employments of labor and capital. We have no unoccupied territory to which our planters can repair from their exhausted fields, to renovate their fortunes. The slow process of restoring our worn out soils, will not be resorted to, whilst on our own borders, are found immense and fertile regions, so lately acquired from the Indians in Georgia and Alabama. What then is left for us. We must diversify the pursuits of our people. The opening of a communication with the west, and the establishment of a direct trade with Europe, are the only means under heaven, by which this great object can be effected. Much has been said as to the necessity of establishing a system of direct importation, and it has been well asked, why the South, which raises the cotton and rice, which is actually exchanged for the European productions by which the wants of so large a portion of the union are supplied, should not be able to effect these exchanges, through her own seaports,—by her own merchants,—and in her own ships! Ask these merchants, and they will tell you, that though these goods can be brought to Charleston, as cheaply as they can to New-York, yet they are not imported directly simply because they could not find a market in Charleston. We have been assured that if this difficulty were removed, our direct importations from Europe would at once be equal to our exports. But so long as we are unable to forward these goods into

the interior our market for European goods must be confined to the supply of our own limited wants. Look at the present course of the trade between **THE SOUTH** and **THE WEST**. The importations from Tennessee and Kentucky into South-Carolina and Georgia amount to millions of dollars, but instead of these being paid for in foreign goods imported directly into Charleston or Savannah, in exchange for our cotton and rice, we pay for them in gold and silver or in bills upon the North,—thereby losing entirely the profits on the importation, and greatly embarrassing our merchants by the operation. Now if we only had the means of transporting these goods by a **Rail Road** to the **West**, every thing would be changed. Not only would we pay for western productions, consumed by the South, in foreign goods, received in exchange for our produce—but we should also be able to supply a large portion of the **Western Country**, with all the goods now obtained by them from abroad, receiving in exchange their products, to be distributed in Southern ships throughout the world. The truth unquestionably is, that all our efforts to establish a direct trade with Europe must in a great measure be unavailing, unless we can provide a **MARKET IN THE WEST** for the goods we may import. Our **Rail Road** with the aid of “the **South Western Rail Road Bank**,” will achieve for us this important and peaceful victory. While the Road itself in its construction, as well as in all its operations, will furnish such extensive employments for labor and capital as will serve to check the tide of emigration, the vast extension of our interior and foreign trade, and the corresponding enlargement of our shipping interests,—will give such a mighty impulse to industry and enterprise, as must in a short time totally change the aspect of our affairs, and realize the most sanguine expectations of our citizens.

One word more to THE CITIZENS OF CHARLESTON.— Brought up among you, Fellow-Citizens, and identified with you in interest and in feeling, allow me to say, under a solemn conviction of its truth, that ON YOUR CONDUCT ON THIS OCCASION DEPEND THE DESTINIES OF CHARLESTON. Communities, like individuals, are (under the blessings of Heaven) often the architects of their own fortunes; and to a certain extent, may be said to control events. Charleston now stands in the FRONT RANK among the cities of the South. With an admirable harbor, a healthful climate, a larger population, and a greater capital, than any city on the South Atlantic coast, we have already obtained a start in the great race, which will ensure us the victory, if we are only true to ourselves, and resolve to improve our advantage. But let us not be deluded with the vain fancy that success can be secured without an effort. The truth is, that the TRADE OF THE WEST, is at this moment, the GRAND OBJECT to which the earnest attention of the whole country is directed. Our sister States, and sister cities of the South, are all struggling to supplant us, and if we do not now put in, and press our claims, with a proper spirit, the prize will be snatched from our grasp. THE GEORGIA STATE ROAD, which is intended to form a continuous line of Rail Roads from Savannah, through Macon to the Tennessee river near Rossville, under the patronage of the State, and with the advantage of a Bank already in full operation, will most assuredly secure to the cities of Georgia, that immense trade which Charleston may now command, by merely putting forth the manly and undivided energies of her citizens. VIRGINIA too, is extending a line of Canals and Rail Roads, towards the borders of Tennessee, for the purpose of forming a junction at Knoxville, with the great road, which Tennessee proposes to carry to that place, from *Fulton*, on the Mississippi river.— Let these schemes be carried into effect, and South-Carolina will be cut off forever from her fair share of the commerce of the West, which her more enterprising neighbors, will have secured to themselves. At this time, the people of

Tennessee would prefer connecting themselves with Charleston, than with any city to the North or South of us. Knoxville is nearer to Charleston than to Richmond, by at least 50 miles, and 100 miles nearer than to Savannah, by the Georgia State Road. The valley of the French Broad River and the Butt Mountain Gap, afford too a far better route for a Rail Road, by which Knoxville can be connected with the ocean. But should we fail to avail ourselves of these advantages,—if, after all that we have said and done, we should falter in our course, or abandon the enterprise, our sister cities will very soon establish those connexions, by which our doom will be sealed;—and we shall deserve our fate.

The late Stockholders in the Charleston and Hamburg Rail Road,—in addition to all these motives, to which as citizens of Charleston they cannot be insensible,—are urged by the *peculiar situation in which they stand*, to come forward and sustain the road. They now hold in our Company 20,000 shares, on which the first payment has been made. We have confidently relied on their continued support.—The payment of only five dollars more on each share, will put our whole machinery in motion,—*secure them shares in the Bank*,—and enable us to effect the necessary loans, to carry on the contemplated improvements, on the Charleston and Hamburg Road,—matters in which they are deeply interested. Those Stockholders, who may be entitled to a number of shares, so large as to put it out of their power to pay the instalment now called for, will have an opportunity of transferring portions of them to others, and it is hoped they may dispose of them to those persons, who may be able and willing to pay up this instalment.

TO THE STOCKHOLDERS GENERALLY, we would say, in conclusion, that the choice presented to them, is, whether by failing to comply with the requisition now made, they shall forfeit their privilege to take shares in the Bank, together with all they have already paid, and thus abandon the Road to its fate,—or, by paying a small additional sum at this time, give an immediate value to their stock, secure

to themselves the privilege of becoming stockholders in the Bank, and lay a sure foundation for the ultimate success of the great work, which has been justly styled "the noblest enterprise of modern times." To those who may plead pecuniary embarrassments, we would say,—the amount now required, is small, and if paid, will enable us to progress without calling for any further sums, until public prosperity shall be restored. No doubts are entertained, that the Banks, who have already manifested so liberal a disposition towards our Road, will to the extent of their ability, be disposed to aid those Stockholders, who may require assistance, to enable them to make the payment required. The notes of persons in good credit, will doubtless be available to meet this demand on the Stockholders. We cannot bring ourselves to believe, that you will hesitate in your choice. At all events, in laying the case thus plainly before you, we have DONE OUR DUTY,—it remains for you to do yours.—THE FATE OF THE ROAD IS NOW IN YOUR HANDS, and it will be for you to determine, whether the roll, on which is inscribed the names of the original subscribers to the Louisville, Cincinnati and Charleston Rail Road, shall remain a proud memorial of their wisdom and patriotism, or a miserable record of fluctuating feelings, and changeful purposes—a monument of our glory, or our shame.

By order of the Board of Directors,

ROBERT Y. HAYNE, President.

Charleston, Feb. 27th, 1838.

